Talking Points
GE announcement
Friday, June 2, 2006

I am joined this afternoon by David Calhoun, Vice Chairman of the General Electric Company. GE is among the world's largest corporations -- and its aviation division is the leading manufacturer of jet engines for commercial and military aircraft.

We are here with an important announcement for the state of Mississippi.

GE and our Mississippi Development Authority are in the early stages of a project that will lead GE to establishing a jet engine component facility in our state.

The facility will fabricate advanced composite jet engine components for GE commercial and military engines.

The first phase of this project is to create an incubator program at the Raspet Flight Research Laboratory near Starkville. This work will be done in conjunction with the Mississippi State University's College of Engineering.

The goal will be to demonstrate the necessary capabilities for producing advanced composite components for commercial and military jet engines. This will occur later this year and in 2007.

Upon successful completion of that phase -- GE will establish a production facility in Mississippi. GE and our development officials are currently evaluating potential sites in northern Mississippi.

In 2007-2008 when the facility opens, employment is expected to reach about 200 people at full ramp-up.

But it is more than jobs. This project brings an advanced, high technology capability to the state of Mississippi. Fabricating these art-of-the-state materials requires specialized manufacturing capabilities – and our state is the beneficiary of the intellectual capital it will provide.

This new facility will also broaden and deepen GE's roots in Mississippi. GE showed its commitment to this state in the aftermath of Katrina when the GE Plastics facility in Bay St. Louis was nearly destroyed. All 129

employees there are back at work and the plant is up and running. The GE family continues to support many of our colleagues who are still rebuilding their lives, and we are inspired by their resilience.

Now, I'll ask Dave Calhoun to tell us more about GE jet engines and the work to be done here.

David Calhoun:

Thank you governor – and it is a pleasure to be here.

To reiterate what the Governor has said --- GE and your development officials have been working together – and we are in the early stages of a plan that will lead to a new GE jet engine component facility in our state.

The facility will fabricate advanced composite jet engine components for GE commercial and military engines.

GE has advanced the use of composites in jet engines for many years – and we are very pleased to work with your state and development leaders to bring this facility to Mississippi.

Our technology leadership in composites gives us a competitive advantage because of the durability and weight savings they bring to a jet engine.

GE's aviation division is a very global business. We employ about 24,000 people and operate more than 20 manufacturing and service facilities around the world.

We are very healthy -- and we are growing our business.

Our aviation business invests about $1 billion annually in jet propulsion R&D programs --- including the work we do in composite technology. GE introduced the first composite fan blades in jet travel in 1995 with its GE90 engine on the Boeing 777.

We are now developing a new engine called the GEnx. It will enter service in 2008 powering the Boeing 787. It will be the only jet engine with both composite fan blades and a composite fan case.

Composite components are also in GE's advanced military engines, including in the engine we are jointly developing with Rolls-Royce for the Joint Strike Fighter Program.

So, the production of GE's composite components is continuing to grow – and we are taking this capability to Mississippi.

Once it is selected --- the Mississippi facility is expected to produce composite components for both our commercial and military jet engines. As the governor said, we expect about 200 people to initially work in the facility when it is up and running in 2008.

The governor and I had an excellent discussion today – and GE looks forward to working with the Mississippi Development Authority as we move forward with this project.

I would be glad to take any questions you have.

Q&A

What components will be built in Mississippi?

One component to be built here is what we call a fan blade platform. It is made of carbon fiber and epoxy resin) and is installed in between the front fan blades of the GEnx engine – our new engine for the Boeing 787 aircraft. We will also look at fabricating composite air ducts for military engines.

*Was this decision based on your current battle to win funding for the F136 engine?

A: The decision is based on a growing need GE has for producing composite components for our jet engines. In addition, Mississippi's Raspet Research Laboratory is well suited for establishing this manufacturing capability in your state. The governor and your development authority has been very aggressive in pursuing high technology business in your state and we are thrilled to work with them.